



# Restoring Families Health Care Financial Flexibility & Freedom

*The arbitrary caps and hurdles Obamacare put on Health Savings and Flexible Spending accounts take away a families' freedom to make choices about their health care.*

## What the legislation does:

- The Family Health Care Flexibility Act, introduced by U.S. Sen. Mike Johanns (R-Neb.) and Rep. Erik Paulsen (R-Minn.), repeals restrictions placed on health savings accounts (HSA) and flexible spending accounts (FSA) by the President's health care law.

## Why it's needed:

- The health care law instituted a \$2,500 FSA contribution limit, which went into effect January 1 of this year, and the law is already requiring doctors write prescriptions in order for individuals to use their own HSA and FSA account dollars to buy over-the-counter drugs – including cold, allergy, or headache medication.
- Previously, tax-preferred FSAs had no federal contribution cap, allowing families to use the accounts to plan for known or routine out-of-pocket health expenses – like extra contact lenses, orthodontic braces or glasses – not covered by insurance plans.
- Prior to Obamacare, individuals could also use their accounts to help offset the costs of over-the-counter medication or treatments not covered by insurance plans and were not required to have a prescription – allowing doctors to see more patients with serious illnesses.

## How families pay the price for the arbitrary cap and mandated prescription requirement:

- A total of 19 million Americans depend on FSAs, which previously had no federal limit, to make everyday medical expenses more affordable. Consider a four person family whose contact lenses could easily top \$1,500 or a family seeking orthodontic treatment for their child, which can add up to \$7,000. These caps are especially difficult for families with children who have special needs, whose education costs can be as much as \$14,000 annually, yet are now allowed to set aside only \$2,500.
- Americans wanting to use their FSAs and HSAs to purchase products like cold medicine, baby ointment, or allergy treatments with their own medical account dollars are forced to spend time and money to visit with their physician about a prescription.
- Over-the-counter medicines contribute a total of \$102 billion each year in savings and cost avoidance to the health care system. For every dollar spent on over-the-counter medicines, the health care system saves between \$6 and \$7.
- This new requirement takes away a seat in their waiting room from a patient suffering from more than hay fever. Lifting the prohibition allows medical providers to focus on patients most in need.

The Johanns-Paulsen legislation, which currently has 11 cosponsors in the Senate and 35 in the House, is available [HERE](#).